

07 CV

6250

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

JUDGE HOLWELL

-----X
LUCIANO MANGANELLA,

Petitioner,

-against-

LERNER NEW YORK, INC.,

Respondent.
-----X

No. _____

Petition and
**AFFIRMATION OF DAVID S. VERSFELT, ESQ. IN SUPPORT OF MOTION OF
LUCIANO MANGANELLA FOR CONFIRMATION OF ARBITRATION AWARD**

STATE OF NEW YORK)

:

COUNTY OF NEW YORK)

I, David S. Versfelt, under penalty of perjury, depose and state as follows:

1. I am an attorney duly admitted to practice in New York State and before this Court. I am a partner in the law firm of Kirkpatrick & Lockhart Preston Gates Ellis LLP, which represented Petitioner Luciano Manganella in an arbitration, styled Lerner New York, Inc. and Luciano Manganella, AAA No. 13 116 Y 01518, that underlies this motion. I am personally familiar with the specific matters asserted herein.

2. I submit this affirmation in support of the motion of Luciano Manganella for confirmation of a certain arbitration award and entry of that award as a judgment of this Court.

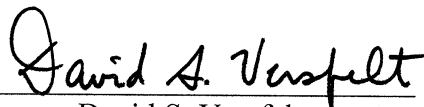
3. Attached hereto as Exhibit A are true and correct copies of letters and other documents relating to initiation of an arbitration styled Lerner New York, Inc. and Luciano Manganella, AAA No. 13 116 Y 01508 06, and selection of the panel of arbitrators.

4. Attached hereto as Exhibit B is a true and correct copy of a Stock Purchase Agreement dated as of July 19, 2005 between Lerner New York, Inc. and Luciano Manganella.

5. Attached hereto as Exhibit C is a true and correct copy of an Amended and Restated Escrow Agreement made as of February 28, 2006 by and among Lerner New York, Inc., Luciano Manganella, and escrow agent Goulston & Storrs, P.C.

6. Attached hereto as Exhibit D is a true and correct copy of the Interim Award dated April 20, 2007 in the arbitration Lerner New York, Inc. and Luciano Manganella, AAA No. 13 116 01508 06.

7. Attached hereto as Exhibit E is a true and correct copy of the Opinion and Final Award signed by the members of the Panel on June 7 and June 9 and released by the AAA on June 13, 2007 in the arbitration Lerner New York, Inc. and Luciano Manganella, AAA No. 13 116 01508 06.


David S. Versfelt

Dated: July 5, 2007
New York, New York

EXHIBIT A

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

Matthew Solum
To Call Writer Directly:
(212) 446-4688
msolum@kirkland.com

Citigroup Center
153 East 53rd Street
New York, New York 10022-4611

212 446-4800

www.kirkland.com

Facsimile:
212 446-4900

June 30, 2006

BY FEDERAL EXPRESS

Catherine Shanks
American Arbitration Association
Northeast Case Management Center
950 Warren Avenue
East Providence, RI 02914

Re: Lerner New York, Inc. v. Luciano Manganella

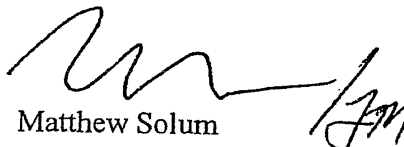
Dear Ms. Shanks:

Lerner New York, Inc. ("Lerner") hereby initiates arbitration with the American Arbitration Association against Luciano Manganella in accordance with the parties' stock purchase agreement dated July 19, 2005 ("Purchase Agreement"). Enclosed please find a Demand for Arbitration, the arbitration provision from the Purchase Agreement, the Statement of Claim with supporting exhibits, and a check for the required filing fee of \$10,000.

By copy of this letter, I am serving copies of the Demand, the arbitration provision from the Purchase Agreement, and the Statement of Claim with supporting exhibits on Respondent and his representative.

Finally, pursuant to the Purchase Agreement this matter is to be heard by three arbitrators. Lerner hereby appoints William L.D. Barrett, Esq. as its party-appointed arbitrator.

Very truly yours,


Matthew Solum

cc: Daniel E. Rosenfeld, Esq.
Luciano Manganella



Kirkpatrick & Lockhart Nicholson Graham LLP

State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950
617.261.3100
Fax 617.261.3175
www.klmg.com

July 10, 2006

Daniel E. Rosenfeld

617.951.9112
Fax: 617.261.3175
drosenfeld@klmg.com

VIA FACSIMILE AND FIRST CLASS MAIL

Laura E. VanEtten
American Arbitration Association
Northeast Case Management Center
950 Warren Avenue
East Providence, RI 02914

RE: Lerner New York, Inc. v. Luciano Manganella/ 13 116 Y 01508 06

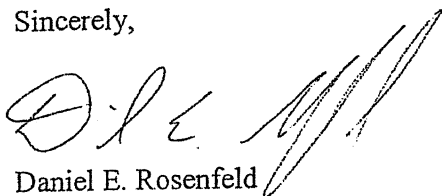
Dear Ms. VanEtten:

As you know, I am counsel for Mr. Luciano Manganella, in the above-referenced matter. Pursuant to the parties' arbitration agreement, Mr. Manganella hereby appoints Thomas J. Kavalier, Esq. as his party-appointed arbitrator.

Mr. Kavalier is a partner at Cahill Gordon & Reindel, LLP. His office address is 80 Pine Street, New York, NY 10005.

Please feel free to contact me if you need any additional information.

Sincerely,



Daniel E. Rosenfeld

cc: Matthew Solum, Esq.
Christine Watts Johnston, Esq.

07/18/2006 11:52 FAX 212 4464900
07/17/2006 11:20 151/9519151

KIRKLAND & ELLIS LLP
KIRKPATRICK/LOCKHART

002
PAGE 02



Kirkpatrick & Lockhart Nicholson Graham LLP

State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950
617.261.3100
Fax 617.261.3175
www.klmg.com

July 17, 2006

Daniel E. Rosenfeld

(617) 951-9112
drosenfeld@klmg.com

VIA FACSIMILE

Matthew Solum, Esq.
Kirkland & Ellis, LLP
Citigroup Center
153 East 53rd Street
New York, NY 10022-4611

Re: Lerner New York, Inc. / Luciano Manganella

Dear Matt:

I write to confirm my agreement, on Mr. Manganella's behalf, to your proposal that Schedule 6.13(c), which calls for the third arbitrator to be jointly appointed by the party-appointed arbitrators within ten (10) days following the appointment of respondents' party-appointed arbitrator, shall be amended such that the third arbitrator's appointment by the two party appointed arbitrators may occur up to and including Friday, July 28, 2006.

Included below is a line for you to sign to confirm our agreement to this effect. Upon receipt of this letter counter-signed by you, I will forward a copy to the AAA Case Manager and to Mr. Manganella's appointed arbitrator. I expect that you will notify Lerner's appointed arbitrator of this amendment.

Very truly yours,

Daniel E. Rosenfeld

Agreed to on behalf of Lerner New York, Inc.:

Matthew Solum

DER:cbwj

cc: Christine Watts Johnston, Esq.
Jason Manning, Esq.



Kirkpatrick & Lockhart Nicholson Graham LLP

State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950
617.261.3100
Fax 617.261.3175
www.klmg.com

July 19, 2006

Daniel E. Rosenfeld

617.951.9112
Fax: 617.261.3175
drosenfeld@klmg.com

Via E-Mail
Via Facsimile

Joseph P. Conlon
American Arbitration Association
950 Warren Avenue
East Providence, RI 02914

Laura Van Etten
American Arbitration Association
950 Warren Avenue
East Providence, RI 02914

Re: 13 116 Y 01508 06
Lerner New York, Inc. and Luciano Manganella

Dear Mr. Conlon and Ms. Van Etten:

I am enclosing an agreement between the parties to the above-referenced matter extending the time within which the third arbitrator appointment may occur up to and including July 28, 2006

Very truly yours,

A handwritten signature in dark ink, appearing to read 'D.E. Rosenfeld', written over a horizontal line.

Daniel E. Rosenfeld

DER:mas

Enclosure

cc: Matthew Solum, Esq.

07/18/2006 11:52 FAX 212 4464900
07/17/2006 11:28 161/9519151

KIRKLAND & ELLIS LLP
KIRKPATRICK/LOCKHART

002
PAGE 02



Kirkpatrick & Lockhart Nicholson Graham LLP

State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950
617.261.3100
Fax 617.261.3175
www.klmg.com

July 17, 2006

Daniel E. Rosenfeld

(617) 951-9112
drosenfeld@klmg.com

VIA FACSIMILE

Matthew Solum, Esq.
Kirkland & Ellis, LLP
Citigroup Center
153 East 53rd Street
New York, NY 10022-4611

Re: Lerner New York, Inc. / Luciano Manganella

Dear Matt:

I write to confirm my agreement, on Mr. Manganella's behalf, to your proposal that Schedule 6.13(c), which calls for the third arbitrator to be jointly appointed by the party-appointed arbitrators within ten (10) days following the appointment of respondents' party-appointed arbitrator, shall be amended such that the third arbitrator's appointment by the two party appointed arbitrators may occur up to and including Friday, July 28, 2006.

Included below is a line for you to sign to confirm our agreement to this effect. Upon receipt of this letter counter-signed by you, I will forward a copy to the AAA Case Manager and to Mr. Manganella's appointed arbitrator. I expect that you will notify Lerner's appointed arbitrator of this amendment.

Very truly yours,

Daniel E. Rosenfeld

Agreed to on behalf of Lerner New York, Inc.:

Matthew Solum

DER:cbwj

cc: Christine Watts Johnston, Esq.
Jason Manning, Esq.

American Arbitration 7/20/2006 8:51:18 AM PAGE 2/002 Fax Server



American Arbitration Association
Dispute Resolution Services Worldwide

Northeast Case Management Center
Catherine Shanks
Vice President

Christopher Fracassa, Yvonne Nelson
Assistant Vice Presidents

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
internet: <http://www.adr.org/>

July 20, 2006

Via Facsimile

Matthew Solum, Esq.
Kirkland & Ellis LLP
153 East 53rd Street
Citigroup Center
New York, NY 10022

Daniel E. Rosenfeld, Esq.
Kirkpatrick & Lockhart Nicholson Graham LLP
One Lincoln Street
Boston, MA 02111-2950

Re: 13 116 Y 01508 06
Lerner New York, Inc.
and
Luciano Manganella

Dear Parties:

This will acknowledge receipt of a letter dated July 19, 2006, from counsel for Respondent with parties' agreement to extend the time for the selection of the third arbitrator up to and including July 28, 2006.

This letter is also in follow up to our previous discussions regarding compensation arrangements for the party-appointed neutral arbitrators. As we indicated absent the parties agreement in writing that their neutral party appointed arbitrators will be paid directly by the parties, compensation arrangements for the neutral arbitrators shall be made through the AAA in accordance with R 51 of the Commercial Arbitration Rules.

As we have not heard as yet, we request the parties advise us on their decision regarding party appointed arbitrator compensation arrangements by close of business today.

Please feel free to contact the undersigned if you have any questions.

Sincerely,

Laura Van Etten for
Joseph P. Conlon
Case Manager
401 431 4894
conlonj@adr.org

Supervisor Information: Laura E. VanEtten, 401 431 4787, VanEttenl@adr.org

Encl.

cc: William L.D. Barrett, Esq.; Thomas J Kavalier, Esq.

American Arbitration 7/20/2006 8:51:18 AM PAGE 1/002 Fax Server



American Arbitration Association

Dispute Resolution Services Worldwide

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
<http://www.adr.org>

FAX

DATE 07/20/2006 8:51:05 AM
TO Daniel E. Rosenfeld, Esq.
COMPANY Kirkpatrick & Lockhart Nicholson Graham LLP
ADDRESS 617-261-3175
FROM Joseph P. Conlon
NUMBER OF 3 (Including cover page)
PAGES
RE Case number: 13 116 Y 01508 06
RECIPIENTS William L.D. Barrett; Matthew Solum, Esq.; Daniel E.
Rosenfeld, Esq.; Thomas J Kavalier, Esq.

OTES:

THIS FAX TRANSMISSION IS INTENDED ONLY FOR THE USE OF THE PERSON TO WHOM IT IS ADDRESSED. IT MAY CONTAIN INFORMATION THAT IS CONFIDENTIAL, PRIVILEGED OR OTHERWISE EXEMPT FROM DISCLOSURE. IF YOU ARE NOT THE INTENDED RECIPIENT OR THE PERSON AUTHORIZED TO DELIVER THIS FAX TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION OF THIS FAX IS PROHIBITED. IF YOU HAVE RECEIVED THIS FAX IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE (COLLECT) AND RETURN THE ORIGINAL FAX TO US BY FIRST CLASS MAIL AT THE ABOVE ADDRESS.

07/21/2008 15:02 FAX 212 4484900
07/20/2006 17:12 16179519151

KIRKLAND & ELLIS LLP
KIRKPATRICK/LOCKHART

002
PAGE 02



Kirkpatrick & Lockhart Nicholson Graham LLP

State Street Financial Center
One Lincoln Street
Boston, MA 02111-2950
617.261.3100
Fax 617.261.3175
www.klmg.com

July 20, 2006

Daniel E. Rosenfeld

617.951.9112
Fax: 617.261.3175
drosenfeld@klmg.com

VIA FACSIMILE AND FIRST CLASS MAIL

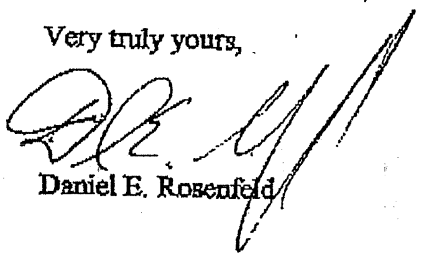
Laura E. VanEtten
Joseph P. Conlon
American Arbitration Association
Northeast Case Management Center
950 Warren Avenue
East Providence, RI 02914

RE: Lerner New York, Inc. v. Luciano Manganella/ 13 116 Y 01508 06

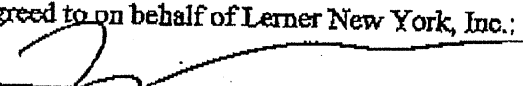
Dear Ms. VanEtten and Mr. Conlon:

In response to your letter dated July 20, 2006, this letter will confirm the parties' agreement that each party will directly pay its neutral party-appointed arbitrator.

Very truly yours,


Daniel E. Rosenfeld

Agreed to on behalf of Lerner New York, Inc.:


Matthew Solum

cc: Rosemary Alito, Esq.
Christine Watts Johnston, Esq.
Jason Manning, Esq.

BOS-990021 v1

BOSTON • DALLAS • HANNOVER • LONDON • LOS ANGELES • MIAMI • NEWARK • NEW YORK • PALM BEACH • PITTSBURGH • SAN FRANCISCO • WASHINGTON



American Arbitration Association
Dispute Resolution Services Worldwide

Northeast Case Management Center
Catherine Shanks
Vice President
Christopher Fracassa, Yvonne Nelson
Assistant Vice Presidents

August 1, 2006

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
internet: <http://www.adr.org/>

John D. Feerick, Esq.
6 Overlook Terrace
Larchmont, NY 10538

Re: 13 116 Y 01508 06
Lerner New York, Inc.
and
Luciano Manganella

Dear Arbitrator:

We are inviting you to serve as arbitrator in the above-entitled matter. The hearing will be held in New York, NY.

Counsel representing the above parties are as follows:

Matthew Solum, Esq.
Kirkland & Ellis LLP
153 East 53rd Street
Citigroup Center
New York, NY 10022

Daniel E. Rosenfeld, Esq.
Kirkpatrick & Lockhart Nicholson Graham LLP
One Lincoln Street
Boston, MA 02111-2950

Enclosed please find the following documents submitted by the parties to date:

Demand for Arbitration (Clause only)
Answer
Claimant's Checklist for Conflicts
Respondent's Checklist for Conflicts

This case will be administered under the Association's Commercial Arbitration Rules and Mediation Procedures as amended and in effect September 15, 2005, which can be found on the Association's web site located at www.adr.org.

If you would like a printed copy of the Rules, the Guide for Commercial Arbitrators or the Code of Ethics, please contact the undersigned.

Please be advised as a disclosed claim exceeds \$500,000.00 the Procedures for Large Complex Cases shall apply. A copy of our Guide to the Management of Large Complex Cases can be found at our website www.adr.org.

Enclosed is a Notice of Appointment, including arbitrator's oath, which we ask that you duly sign and return to this office within five (5) business days. Please do not act on any issues until such time as this

oath has been executed and returned to the undersigned. Also enclosed, is a copy of your current biographical card and our Guidelines for Updating Your AAA Resume. Please review it for accuracy and completeness and indicate that the card has been reviewed and approved prior to service on the Notice of Appointment form.

****IMPORTANT REMINDER****

Please remember, *your obligation to disclose any circumstance likely to affect impartiality or create an appearance of partiality is ongoing.* Should you become aware of a new or additional disclosure, please notify your case manager immediately.

Further enclosed are copies of your fellow arbitrators biographical data redacted so as to exclude compensation rates. Mr.Kavaler is a non-affiliated and no resume available.

Please be advised the Association is not broadly encouraging the use of the Accelerated Exchange Program, which provides for the direct transmission of documents to the arbitrator at this time, unless the parties specifically agree. Correspondence from the parties should be facilitated through the Association and submitted to you by your Case Manager. Please direct any correspondence or rulings you have to your Case Manager as well. Should a party submit documents to you directly, please notify your Case Manager immediately. This program is still available however, the parties must agree in writing to use the Accelerated Exchange Program. Should you have any questions regarding this change, please contact the undersigned.

We will notify the parties of your acceptance of this appointment upon receipt of your Notice of Appointment and Notice of Compensation Arrangements, copies of which will be provided to the parties. Therefore, please return these completed forms at your earliest opportunity. If you are unable to return these Notices by August 3, 2006 and still wish to accept the appointment, please let me know when you will be able to do so.

Thank you for your willingness to serve in this matter.

Sincerely,

Joseph P. Conlon
Case Manager
401 431 4894
conlonj@adr.org

Supervisor Information: Laura E. VanEtten, 401 431 4787, VanEttenl@adr.org

Encl.



American Arbitration Association
Dispute Resolution Services Worldwide

Northeast Case Management Center
Catherine Shanks
Vice President
Christopher Fracassa, Yvonne Nelson
Assistant Vice Presidents

August 2, 2006

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
internet: <http://www.adr.org/>

Matthew Solum, Esq.
Kirkland & Ellis LLP
153 East 53rd Street
Citigroup Center
New York, NY 10022

Daniel E. Rosenfeld, Esq.
Kirkpatrick & Lockhart Nicholson Graham LLP
One Lincoln Street
Boston, MA 02111-2950

Re: 13 116 Y 01508 06
Lerner New York, Inc.
and
Luciano Manganello

Dear Parties:

Please be advised, Thomas J. Kavalier has made the following disclosure:

I also am well acquainted with Dean Feerick, as I told Bill Barrett before we agreed on him as the third arbitrator. When I was at Fordham Law School I was the Editor in Chief of the Law Review (1971-1972) and he was the President of the Fordham Law Review Alumni Association (a position I later held). Thereafter, he became President of the Fordham Law Alumni Association (a position I later held while he was Dean of the Law School). During the time he was Dean and I was President, we fund raised together on numerous occasions and sat together on the dias of many dinners. In his final year as Dean I purchased a loaf of soda bread at Fordham's annual student auction whose price was determined by the number of years of his deanship. During our overlapping tenures, I hosted a dinner for Justice Kennedy in my home and the Dean attended. He also attended my wife's 50th birthday celebration (twice) and we made the rounds of various funerals, wakes and charity golf outings together.

In fairness, he may have elected to attend both of my wife's 50th birthday celebrations independent of our relationship as she is also an alumna of Fordham Law School and a member of the Board Of Governors of the Fordham Law Alumni Association (as well as a United States District Judge).

Thomas J. Kavalier, Esq.

Please advise the Association and the opposing party of any objections to the disclosure, on or before August 4, 2006. The arbitrator shall not be copied on any comments related to the disclosure.

You may also share and manage correspondence through AAA's WebFile. The Case Manager will determine who should receive viewing privileges and grant access accordingly.

If any objections are raised, the other party may respond within three (3) days. The AAA will make a determination regarding the arbitrator's service, in accordance with the Rules.

Please do not hesitate to contact me with any questions and/or concerns.

Sincerely,

Joseph P. Conlon
Case Manager
401 431 4894
conlonj@adr.org

Supervisor Information: Laura E. VanEtten, 401 431 4787, VanEttenl@adr.org

Encl.

cc: William L.D. Barrett, Esq.
Thomas J. Kavalier, Esq.



American Arbitration Association
Dispute Resolution Services Worldwide

Northeast Case Management Center
Catherine Shanks
Vice President
Christopher Fracassa, Yvonne Nelson
Assistant Vice Presidents

August 2, 2006

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
internet: <http://www.adr.org/>

Matthew Solum, Esq.
Kirkland & Ellis LLP
153 East 53rd Street
Citigroup Center
New York, NY 10022

Daniel E. Rosenfeld, Esq.
Kirkpatrick & Lockhart Nicholson Graham LLP
One Lincoln Street
Boston, MA 02111-2950

Re: 13 116 Y 01508 06
Lerner New York, Inc.
and
Luciano Manganella

Dear Parties:

Please be advised, William L.D. Barrett has made the following disclosure:

Through 2000, I was a member of the Board of Directors of the AAA and a member of the Executive Committee. During the later part of that time, Dean Feerick was Chairman of the Executive Committee and later Chairman of the Board. I was also Chair of the Finance Committee until 2003 and in that connection met with Dean Feerick to discuss compensation issues.

In March, 2006 I participated in a seminar conducted by Dean Feerick at the Fordham Law School.

William L.D. Barrett

Please advise the Association and the opposing party of any objections to the disclosure, on or before August 4, 2006. The arbitrator shall not be copied on any comments related to the disclosure.

You may also share and manage correspondence through AAA's WebFile. The Case Manager will determine who should receive viewing privileges and grant access accordingly.

If any objections are raised, the other party may respond within three (3) days. The AAA will make a determination regarding the arbitrator's service, in accordance with the Rules.

Please do not hesitate to contact me with any questions and/or concerns.

Sincerely,

Joseph P. Conlon
Case Manager
401 431 4894
conlonj@adr.org

Supervisor Information: Laura E. VanEtten, 401 431 4787, VanEttenl@adr.org

Encl.

cc: William L.D. Barrett, Esq.
Thomas J. Kavalier, Esq.
John D. Feerick, Esq.



American Arbitration Association
Dispute Resolution Services Worldwide

Northeast Case Management Center
Catherine Shanks
Vice President
Christopher Fracassa, Yvonne Nelson
Assistant Vice Presidents

August 3, 2006

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
internet: <http://www.adr.org/>

Matthew Solum, Esq.
Kirkland & Ellis LLP
153 East 53rd Street
Citigroup Center
New York, NY 10022

Daniel E. Rosenfeld, Esq.
Kirkpatrick & Lockhart Nicholson Graham LLP
One Lincoln Street
Boston, MA 02111-2950

Re: 13 116 Y 01508 06
Lerner New York, Inc.
and
Luciano Manganello

Dear Parties:

This will advise the parties that the Association has appointed John D. Feerick to serve as Chair of the Arbitration Panel in the above-captioned matter. Mr. Feerick made the following disclosure:

The disclosures by Thomas J. Kavalier and William L. D. Barrett, Esq., appropriately describe my relationships with them. As for the Parties, the individuals listed in their material and the specific individual attorneys, I can identify no relationships. I would note that at one point in my life I knew a Howard Anderson but I can provide no other information about that person. I have no recollection of him as such and would not be able to identify any such person. Similarly, I have either seen or heard the name "Jasmine" before but I have no other information I can provide about that "Jasmine." As for the law firms representing the Parties, I know both firms to be distinguished and with attorneys who graduated from Fordham Law School, at which I served as dean from 1982-2002 and since as a professor. It is possible I may know some of these lawyers and some as students may have had contact with me. If this be a relevant area for the Parties, I would ask the law firms involved to send me a list of their Fordham graduates. I have a recollection of having one or possibly more than one ADR matters with these firms but it would be a time challenge for me to ascertain whether I am correct and also the names (if appropriate) of the matters and the lawyers. Perhaps this is an area where the firms could help by providing each other with such information of which they are aware. My challenge here is associated with the fact that I have been a lawyer for forty-five years and during that period I have been involved as both an advocate and neutral in hundreds (if not thousands) of matters. Some of these matters, such as a mediation I had last year concerning Enron, involved as many as 50 law firms, as well as inside counsel for many institutions.

Permit me to add that there is nothing in these disclosures that would interfere in any way with my rendering a fair, independent and impartial judgment in this matter. I am happy to respond to any questions the Parties, their counsel, or the other Panel members may have concerning these disclosures.

John D. Feerick

Please advise the Association of any objections to the appointment by August 7, 2006, copying the other side. The arbitrator shall not be copied on any comments related to the disclosure.

If any objections are raised, the other party may respond within three (3) business days. The AAA will make a determination regarding the arbitrator's service, in accordance with the Rules.

As requested by the neutral, if either party or their counsel knows of any contact or conflict that may be relevant, they are to communicate this information to the Association within ten days.

Please do not hesitate to contact us with any questions and/or concerns.

Sincerely,

Joseph P. Conlon
Case Manager
401 431 4894
conlonj@adr.org

Supervisor Information: Laura E. VanEtten, 401 431 4787, VanEttenl@adr.org

Encl.

cc: William L.D. Barrett, Esq.
Thomas J. Kavalier, Esq.
John D. Feerick, Esq.



American Arbitration Association
Dispute Resolution Services Worldwide

Northeast Case Management Center
Catherine Shanks
Vice President
Christopher Fracassa, Yvonne Nelson
Assistant Vice Presidents

August 7, 2006

950 Warren Avenue, East Providence, RI 02914
telephone: 866-293-4053 facsimile: 401-435-6529
internet: <http://www.adr.org/>

Matthew Solum, Esq.
Kirkland & Ellis LLP
153 East 53rd Street
Citigroup Center
New York, NY 10022

Daniel E. Rosenfeld, Esq.
Kirkpatrick & Lockhart Nicholson Graham LLP
One Lincoln Street
Boston, MA 02111-2950

Re: 13 116 Y 01508 06
Lerner New York, Inc.
and
Luciano Manganella

Dear Parties:

Inasmuch as there were no objections to the appointments of Arbitrator Feerick, Barrett and Kavalier, the appointments are hereby confirmed.

The Arbitration Panel will schedule a Panel conference during this week, and establish a date for the preliminary hearing.

Should you have any questions please contact the undersigned.

Sincerely,

Joseph P. Conlon
Case Manager
401 431 4894
conlonj@adr.org

Supervisor Information: Laura E. VanEtten, 401 431 4787, VanEttenl@adr.org